Electronic Manufacturing Services

Manthan

Mobile Phone Manufacturing Scheme (MPMS): Towards an Integrated Manufacturing Ecosystem

The Government of India has approved the Mobile Phone Manufacturing Scheme (MPMS) with a total budgetary outlay of INR 625bn over a five-year period. The primary objective of MPMS is to increase domestic value addition while strengthening India's electronics manufacturing ecosystem. The scheme seeks to promote local component manufacturing, encourage indigenous product design and research & development, improve supply-chain resilience, support the development of Indian mobile phone brands and enhance the country's export competitiveness.

What's Different from the Earlier PLI?

MPMS retains the sales-linked incentive structure of the earlier PLI scheme, while adding incentives for higher domestic component sourcing and indigenous product design/R&D. Thus, the scheme rewards manufacturers across three layers—production, localization and innovation.

Under the scheme, manufacturers are eligible for a base manufacturing incentive ranging from 2.25% to 5% of eligible sales. In addition, companies can earn an incremental localization incentive of up to 1.5% by increasing domestic procurement of components, along with a further design and R&D incentive of up to 3% for developing indigenous products and intellectual property.

Exhibit 1: India's Mobile Manufacturing – PLI 1.0 → MPMS

Particulars	PLI 1.0 (FY21–FY26)	MPMS (FY27–FY31)
Government outlay (INR bn)	-	625
Key objective	Scale manufacturing	Scale + exports + localization
Mobile production (INR bn)	11,600	~39,000 targeted
Exports (INR bn)	6,430	Significant further increase targeted
Localization	Limited focus	Up to 1.5% additional incentive
Domestic Brands	Limited focus	5% + 3% design/R&D incentive

Source: Company, PL

Salient Features of MPMS: The Scheme has two Target Segments - **TS1:** Mobile-phone manufacturers and EMS companies registered in India with a minimum FY26 turnover of INR 100bn are eligible. Existing brands need to achieve INR 50bn of incremental sales annually over FY26 sales, while a new brand must first achieve INR 100bn of annual sales in India before becoming eligible.

TS2: Indian mobile-phone brands with a minimum FY26 turnover of INR 10bn are eligible, subject to requirements relating to Indian ownership, management control, domestic IP/trademarks and in-house design and R&D capabilities.

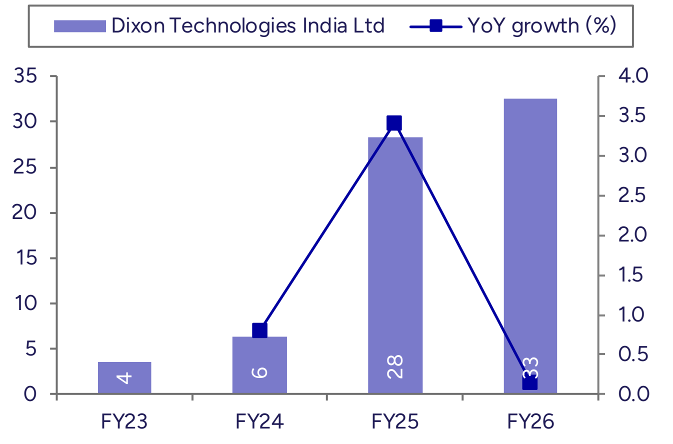
Key Beneficiaries: Dixon has received PN3 approval to form a JV with Vivo India for smartphone manufacturing. Vivo sold ~35mn units (~23% market share) in CY25, while the JV is expected to manufacture ~20–22mn units annually, equivalent to nearly two-thirds of Vivo's India volumes. The JV is expected to strengthen Dixon's position in the mobile EMS segment and provide a significant volume opportunity under MPMS.

Amber has entered into a manufacturing collaboration with Oppo India for Oppo, OnePlus and Realme smartphones. Production is expected to start with ~8–9mn units in FY28, scaling to ~14–15mn units in FY29. Trial production is targeted at Q4FY27, followed by commercial production in Q1FY28. The company is expected to initially undertake assembly/SMT, followed by HDI PCB and component manufacturing.

Praveen Sahay
praveensahay@plindia.com | +91-22-66322369

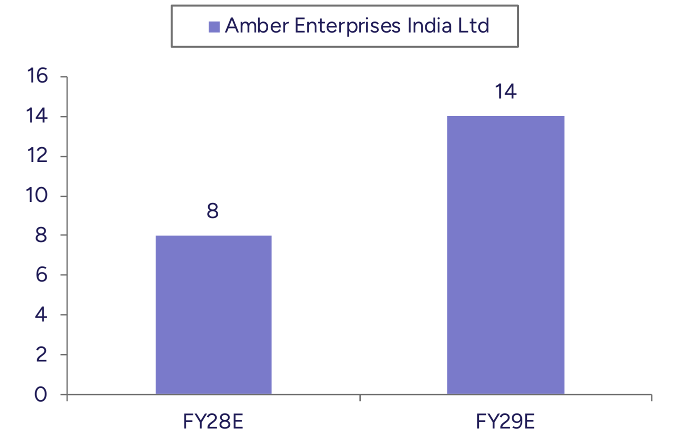
Rahul Shah
rahulshah@plindia.com | +91-22-66322534

Exhibit 2: Dixon Smartphone Volumes Reach 33mn Units in FY26



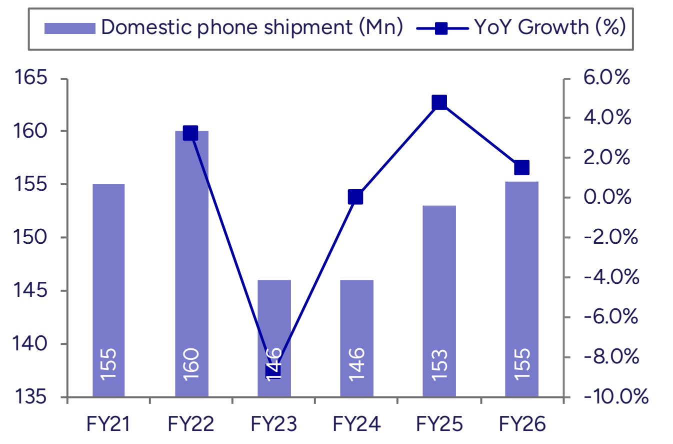
Source: Company, PL

Exhibit 3: AMBER Smartphone Volumes to Nearly Double by FY29E



Source: Company, PL

Exhibit 4: Domestic phone shipment over the years



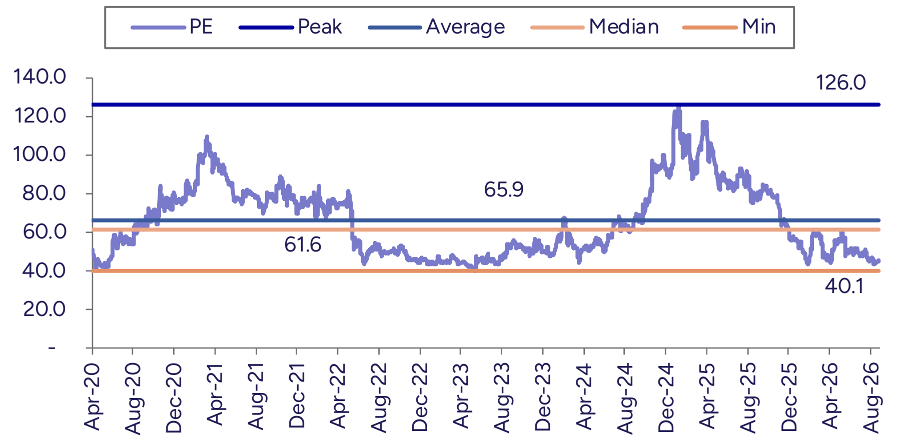
Source: Counterpoint, Company, PL

Exhibit 5: India Smartphone Market Volume Share by Brand

India Smartphone Shipments Market Share	CY23	CY24	CY25	2026Q1
Vivo	17%	20%	24%	23%
Samsung	18%	15%	15%	17%
OPPO	18%	16%	16%	17%
Xiaomi	17%	18%	13%	12%
Realme	12%	11%	10%	9%
Others	20%	21%	24%	22%

Source: Counterpoint, Company, PL

Exhibit 6: Amber Enterprises is currently trading at 37x FY28 earnings



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	Buy	9244	7222
2	Astral	BUY	1684	1464
3	Avalon Technologies	Reduce	1470	1823
4	Bajaj Electricals	Accumulate	403	383
5	Cello World	Accumulate	410	360
6	Century Plyboard (I)	Accumulate	878	770
7	Cera Sanitaryware	BUY	7221	6049
8	Crompton Greaves Consumer Electricals	Buy	330	252
9	Cyient DLM	HOLD	635	623
10	Finolex Industries	Accumulate	197	164
11	Greenpanel Industries	BUY	284	184
12	Havells India	Accumulate	1319	1187
13	Kajaria Ceramics	BUY	1403	1198
14	Kaynes Technology India	Accumulate	4390	3856
15	KEI Industries	Accumulate	6001	5500
16	LG Electronics India	HOLD	1723	1730
17	Polycab India	BUY	10764	9215
18	Premier Energies	Accumulate	1131	1047
19	R R Kabel	HOLD	2596	2525
20	Supreme Industries	BUY	4610	3395
21	Syrma SGS Technology	HOLD	1409	1378
22	Vikram Solar	Accumulate	173	157
23	Voltas	HOLD	1308	1321
24	Waaree Energies	BUY	3280	2625

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Praveen Sahay MBA Finance, Mr. Rahul Shah MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

AMNISH AGGARWAL

Digitally signed by AMNISH AGGARWAL
DN: c=IN, o=Personal, title=1443, 2.5.4.20=21151ea12dd366d1ac370cb42343ee44b6e851c37bdbac5f86aa4ff3e6948487, postalCode=400015, st=Maharashtra, serialNumber=7a6f13691881d5a8af6353865a61b48b7040e72f4a1bf53182e368b3ca14a5e4, cn=AMNISH AGGARWAL
Date: 2026.08.27 12:10:39 +05'30'

DISCLAIMER

Indian Clients

US Clients